**INSTRUCTIONS**

**Loan Modification Agreement – Single-Family – Fannie Mae UNIFORM INSTRUMENT (Form 3179)**

**Type of Instrument Instrument Revision Date**

Modification Agreement 1/01 (rev. 4/14)

**Instrument Last Modified Summary Page Last Modified**

6/06 (posted 10/3/06) 6/09 (Authorized Changes Added)

10/06 (Revised Spanish Translation Posted) 9/10 (Authorized Changes Added;

1/09 (Borrower Waiver Provisions MERS Provisions Revised)

 Deleted) 10/10 (Authorized Changes Added;

1/09 (Revised Spanish Translation Posted) Authorized Changes Revised)

6/12 (Date Added for Lender’s Signature) 10/20/10 (Authorized Changes Added)

4/14 (Borrower Authorization Added) 4/11 (Authorized Changes Revised)

4/14 (Revised Spanish Translation Posted) 9/12 (Authorized Changes Added -

 HFA/HHF)

 9/13 (Authorized Changes Added) 4/14 (Authorized Changes Revised)

 7/16 (Authorized Change Added; MERS

 Street Address Added where Required)

 9/16 (Authorized Change Added)

 8/17 (MERS Instructions Revised)

 6/18 (MERS Instructions Revised)

12/21 (Authorized Changes Removed – HFA/HHF)

3/24 (Required Changes Added; MERS Instructions Revised)

8/25 (Authorized Changes Added; Authorized Changes Revised)

**Use This Document For**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| State | Lien Type | Product Type | Property Type | Occupancy Type |
| **All** | **First** | **All, as authorized by Fannie Mae** | **All, except cooperatives** | **All** |

**Required Changes**

The following changes MUST always be made to this document:

1. Lenders MUST revise the document as necessary to comply with applicable federal, state and local law, as well as to comply with the requirements of an applicable government mortgage insurance or guaranty program.
2. Lenders MUST amend the document as necessary to ensure that the mortgage loan maintains its first lien position and is fully enforceable.
3. Lenders MUST amend the document to insert the following as new paragraphs 5(e) and (f) for a mortgage loan secured by a property in the State of New York:

(e) Borrower promises to pay the debt evidenced by the Note and Security Instrument. Further, Borrower acknowledges and agrees that any election by Lender to accelerate the debt evidenced by the Note and Security Instrument and the requirement by Lender of immediate payment in full thereunder is revoked upon the first payment made under the Agreement; and, the Note and Security Instrument, as amended by the Agreement, are returned to installment status and the obligations under the Note and Security Instrument remain fully effective as if no acceleration had occurred.

(f) Borrower further agrees to execute or cause to be executed by counsel, if applicable, a stipulation (to be filed with the court in the foreclosure action), that the Lender’s election to accelerate the debt evidenced by the Note and Security Instrument and requirement of immediate payment in full thereunder is revoked upon the first payment made under the Agreement and the debt evidenced by the Note and Security Instrument is deaccelerated at that time pursuant to New York General Obligations Law § 17-105, or other applicable law.

**Authorized Changes**

The following changes MAY be made to this document at the lender’s option or MUST be made under certain circumstances only:

1. Lenders MUST amend the document as follows if the loan modification involves an interest rate reduction **and** the resulting interest rate will be fixed for the first five years and thereafter increase annually to a final fixed rate:
	1. Delete the following language under the title of the document: “(Providing for Fixed Interest Rate)”.
	2. Delete the existing paragraph 2 and replace it with the following new paragraph 2:

*2. Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of Lender. Interest will be charged on the Unpaid Principal Balance for the first five years at the yearly rate of \_\_\_\_% from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_, and Borrower promises to pay monthly payments of principal and interest in the amount of $\_\_\_\_\_\_\_ beginning on the \_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_. During the sixth year, interest will be charged at the yearly rate of \_\_\_\_% from ­­­­\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_, and Borrower shall pay monthly payments of principal and interest in the amount of $\_\_\_\_\_\_\_\_\_\_ beginning on the \_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_.* **[Repeat previous sentence as necessary for each subsequent year increasing the rate 1% per year or such lesser amount as is necessary to reach the final fixed rate. For the year in which the final fixed rate will be reached, use the following language:**

*During the \_\_\_\_\_\_\_\_\_\_\_ year and continuing thereafter until the Maturity Date (as hereinafter defined), interest will be charged at the yearly rate of \_\_\_\_%, from \_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_, and Borrower shall pay monthly payments of principal and interest in the amount of $\_\_\_\_\_\_\_\_ beginning on the \_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_ and shall continue the monthly payments thereafter on the same day of each succeeding month until principal and interest are paid in full. If on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (the “Maturity Date”), Borrower still owes amounts under the Note and Security Instrument, as amended by this Agreement, Borrower will pay these amounts in full on the Maturity Date.***]**

1. Lenders MUST amend the document as follows if the loan modification involves principal deferral **and** the resulting interest rate is fixed for the remaining term of the loan:

a. Delete the existing paragraph 1 and replace it with the following new paragraph 1:

*1. As of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the amount payable under the Note and the Security Instrument (the “New Principal Balance”) is U.S. $\_\_\_\_\_\_\_\_\_\_\_\_\_\_ consisting of the unpaid amount(s) loaned to Borrower by Lender plus any interest and other amounts capitalized.*

b. Delete the existing paragraph 2 and replace it with the following new paragraph 2:

*2. $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of the New Principal Balance shall be deferred (the “Deferred Principal Balance”) and Borrower will not pay interest or make monthly payments on this amount. The New Principal Balance less the Deferred Principal Balance shall be referred to as the “Interest Bearing Principal Balance” and this amount is $\_\_\_\_\_\_\_\_\_\_\_\_. Interest will be charged on the Interest Bearing Principal Balance at the yearly rate of \_\_\_\_\_\_\_\_\_\_\_%, from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_. Borrower promises to make monthly payments of principal and interest of U.S. $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, beginning on the \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_, and continuing thereafter on the same day of each succeeding month until the Interest Bearing Principal Balance and all accrued interest thereon have been paid in full. The yearly rate of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_% will remain in effect until the Interest Bearing Principal Balance and all accrued interest thereon have been paid in full. The new Maturity Date will be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.*

c. Insert the following as a new paragraph 3:

*3. Borrower agrees to pay in full the Deferred Principal Balance and any other amounts still owed under the Note and Security Instrument by the earliest of: (i) the date Borrower sells or transfers an interest in the Property, (ii) the date Borrower pays the entire Interest Bearing Principal Balance, or (iii) the new Maturity Date.*

d. Renumber the existing paragraphs 3, 4, and 5 as paragraphs 4, 5, and 6, respectively.

1. Lenders MUST amend the document as follows if the loan modification involves principal deferral **and** the resulting interest rate will be fixed for the first five years and thereafter increase annually to a final fixed rate:

a. Delete the following language under the title of the document: “(Providing for Fixed Interest Rate)”.

b. Delete the existing paragraph 1 and replace it with the following new paragraph 1:

1. *As of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the amount payable under the Note and the Security Instrument (the “New Principal Balance”) is U.S. $\_\_\_\_\_\_\_\_\_\_\_\_\_\_ consisting of the unpaid amount(s) loaned to Borrower by Lender plus any interest and other amounts capitalized.*

c. Delete the existing paragraph 2 and replace it with the following new paragraph 2:

*2. $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of the New Principal Balance shall be deferred (the “Deferred Principal Balance”) and Borrower will not pay interest or make monthly payments on this amount. The New Principal Balance less the Deferred Principal Balance shall be referred to as the “Interest Bearing Principal Balance” and this amount is $\_\_\_\_\_\_\_\_\_\_\_\_. Interest at the rate of \_\_\_\_\_\_\_% will begin to accrue on the Interest Bearing Principal Balance as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and the first new monthly payment on the Interest Bearing Principal Balance will be due on \_\_\_\_\_\_\_\_\_\_\_\_\_\_. The new Maturity Date will be \_\_\_\_\_\_\_\_\_\_\_\_\_\_. Borrower’s payment schedule for the modified Loan is as follows:*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *Years* | *Interest Rate* | *Interest Rate Change Date* | *Monthly Principal and Interest Payment Amount* | *Payment Begins On* | *Number of Monthly Payments* |
| *1-5* | *[\_\_\_\_\_%]* | *00/00/0000* | *$0000.00* | *00/00/0000* | *60* |
| *6* | *[\_\_\_\_\_%]* | *00/00/0000* | *$0000.00* | *00/00/0000* | *12* |
| *7* | *[\_\_\_\_\_%]* | *00/00/0000* | *$0000.00* | *00/00/0000* | *12* |
| *8* | *[\_\_\_\_\_%]* | *00/00/0000* | *$0000.00* | *00/00/0000* | *12* |
| *9-[40]* | *[\_\_\_\_\_%]* | *00/00/0000* | *$0000.00* | *00/00/0000* | *[Insert Remaining months]* |

 d. Insert the following as a new paragraph 3:

*3. Borrower agrees to pay in full the Deferred Principal Balance and any other amounts still owed under the Note and the Security Instrument by the earliest of: (i) the date Borrower sells or transfers an interest in the Property, (ii) the date Borrower pays the entire Interest Bearing Principal Balance, or (iii) the new Maturity Date.*

e. Renumber the existing paragraphs 3, 4, and 5 as paragraphs 4, 5, and 6, respectively.

4. Lenders MUST amend the document by inserting the following new paragraph 6 if the borrower previously received a Chapter 7 bankruptcy discharge but did not reaffirm the mortgage debt under applicable law:

*Notwithstanding anything to the contrary contained in this Agreement, Borrower and Lender acknowledge the effect of a discharge in bankruptcy that has been granted to Borrower prior to the execution of this Agreement and that Lender may not pursue Borrower for personal liability. However, Borrower acknowledges that Lender retains certain rights, including but not limited to the right to foreclose its lien evidenced by the Security Instrument under appropriate circumstances. The parties agree that the consideration for this Agreement is Lender’s forbearance from presently exercising its rights and pursuing its remedies under the Security Instrument as a result of Borrower’s default thereunder. Nothing in this Agreement shall be construed to be an attempt to collect against Borrower personally or an attempt to revive personal liability.*

5. Lenders MUST amend the document by inserting the following new paragraph 5(g) if the security property is an investment property or a 2-4 unit principal residence:

*Borrower hereby absolutely and unconditionally assigns and transfers to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon this assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender’s sole discretion. As used in this paragraph, the word “lease” shall mean “sublease” if the Security Instrument is on a leasehold estate.*

*Borrower hereby absolutely and unconditionally assigns and transfers to Lender all the rents and revenues (“Rents”) of the Property, regardless of to whom the Rents of the Property are payable. Borrower authorizes Lender or Lender’s agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender’s agents. However, Borrower shall receive the Rents until (i) Lender has given Borrower notice of default under this Agreement, pursuant to Section 22 of the Security Instrument, and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender’s agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.*

*If Lender gives notice of default to Borrower: (i) all Rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii) Borrower agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender’s agents upon Lender’s written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender’s agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorney’s fees, receiver’s fees, premiums on receiver’s bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender’s agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.*

*If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument pursuant to Section 9 of the Security Instrument.*

*Borrower represents and warrants that Borrower has not executed any prior assignment of the Rents and has not performed, and will not perform, any act that would prevent Lender from exercising its rights under this paragraph.*

*Lender, or Lender’s agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender’s agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by the Security Instrument are paid in full.*

6. Lenders MUST insert the following as a new paragraph 6 (and adjust paragraph numbering as necessary) if the lender previously waived the borrower’s obligation to maintain an escrow account for the payment of escrow items:

 *By this paragraph, Lender is notifying Borrower that any prior waiver by Lender of Borrower’s obligation to pay to Lender Funds for any or all Escrow Items is hereby revoked, and Borrower has been advised of the amount needed to fully fund the Escrow Items.*

7. Lenders MUST insert the following as a new paragraph 6 (and adjust paragraph numbering as necessary) if the original loan documents did not include standard Fannie Mae/Freddie Mac Uniform Instrument provisions for escrow items[[1]](#footnote-1) and replace it with the following:

*Borrower will pay to Lender on the day payments are due under the Loan Documents as amended by this Agreement, until the Loan is paid in full, a sum (the “Funds”) to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over the Mortgage as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under the Loan Documents; (d) mortgage insurance premiums, if any, or any sums payable to Lender in lieu of the payment of mortgage insurance premiums in accordance with the Loan Documents; and (e) any community association dues, fees, and assessments that Lender requires to be escrowed. These items are called “Escrow Items.” Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower’s obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower’s obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower’s obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in the Loan Documents, as the phrase “covenant and agreement” is used in the Loan Documents. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under the Loan Documents and this Agreement and pay such amount and Borrower shall then be obligated to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with the Loan Documents, and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this paragraph.*

*Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under the Real Estate Settlement Procedures Act (“RESPA”), and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.*

*The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Unless an agreement is made in writing or applicable law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender and Borrower can agree in writing, however, that interest shall be paid on the Funds. Lender shall provide Borrower, without charge, an annual accounting of the Funds as required by RESPA.*

*If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA.*

*Upon payment in full of all sums secured by the Loan Documents, Lender shall promptly refund to Borrower any Funds held by Lender.*

8. Lenders MUST amend the document as follows if the loan modification involves applying funds maintained by the servicer in connection with a temporary interest rate buydown agreement to reduce the unpaid principal balance of the mortgage loan:

a. Delete the existing paragraph 1 and replace it with the following new paragraph 1:

1. *As of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the amount payable under the Note and the Security Instrument (the “Unpaid Principal Balance”) is U.S. $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, consisting of the unpaid amount(s) loaned to Borrower by Lender plus any interest and other amounts capitalized (“Arrearages”).*

b. Insert the following as a new paragraph 2*:*

*2. Borrower understands and agrees that funds in the amount of U.S. $\_\_\_\_\_\_\_\_\_  (the “Buydown Funds”) held by Lender in accordance with the terms of a temporary interest rate buydown agreement for the benefit of the Borrower were applied to reduce the Arrearages in connection with this Agreement.*

c. Renumber the existing paragraphs 2, 3, 4, and 5 as paragraphs 3, 4, 5, and 6, respectively.

9. Lenders MUST amend the document as follows if MERS either was named in the security instrument as the nominee for the lender or was a subsequent assignee of the mortgage [Note: See the instructions below for security property located in Montana, Oregon or Washington]:

1. Amend the first part of the first sentence of the first paragraph by substituting the following language:

*This Loan Modification Agreement (“Agreement”), made this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,\_\_\_\_, between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(“Borrower”), \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Lender”), and Mortgage Electronic Registration Systems, Inc.(“MERS”) [(“Mortgagee”)] [(“Beneficiary”)] [(“Grantee”)], amends and supplements…*

1. Insert the following as a new paragraph 5(g):

*“MERS” is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as nominee for Lender and Lender’s successors and assigns.* ***MERS is the [Mortgagee] [Beneficiary] [(“Grantee”)]******of record under the Security Instrument and this Agreement.*** *MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.*

**In Indiana, Mississippi, New York and Pennsylvania, use the following sentence in the above paragraph, which includes a street address for MERS:** *MERS is organized and existing under the laws of Delaware, and has an address of P.O. Box 2026, Flint, MI 48501-2026, and a street address of 11819 Miami Street, Suite 100, Omaha, NE 68164. The MERS telephone number is (888) 679-MERS.*

1. Add the following MERS signature line at the end of the document, above the acknowledgment line:

 *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

 *Mortgage Electronic Registration Systems, Inc.,*

 *as nominee for Lender, its successors and assigns*

d. Adjust paragraph numbering as necessary.

10. Lenders MUST amend the document as follows if MERS was named in the security instrument as the nominee for the lender **and** the security property is located in the state of Montana, Oregon, or Washington, **and** the loan was originated **with** MERS Rider Form 3158:

 a. Amend the first paragraph of the agreement as follows:

 *This Loan Modification Agreement (“Agreement”), made this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,\_\_\_\_, between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(“Borrower”), \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Lender”), and Mortgage Electronic Registration Systems, Inc.(“MERS”), as Nominee for Lender. This Agreement amends and supplements…*

b. Insert the following as a new paragraph 5(g):

*g. “MERS” is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is the Nominee for Lender and Lender’s successors and assigns and is acting solely for Lender. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.*

c. Add the following MERS signature line at the end of the document, above the acknowledgment line:

 *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

 *Mortgage Electronic Registration Systems, Inc.,*

 *as nominee for Lender, its successors and assigns*

d. Adjust paragraph numbering as necessary.

11. Lenders MUST amend the document as follows if MERS either was named in the security instrument as the nominee for the lender or was a subsequent assignee of the mortgage **and** the security property is located in the state of Montana, Oregon, or Washington, **and** the loan was originated **without** MERS Rider Form 3158:

 a. Amend the first paragraph of the agreement as follows:

 *This Loan Modification Agreement (“Agreement”), made this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,\_\_\_\_, between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(“Borrower”), \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Lender”), and Mortgage Electronic Registration Systems, Inc.(“MERS”), as Nominee for Lender. This Agreement amends and supplements…*

b. Insert the following as a new paragraph 6:

*6. Borrower further understands and agrees that:*

*a. “MERS” is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is the Nominee for Lender and Lender’s successors and assigns and is acting solely for Lender. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS. MERS is appointed as the Nominee for Lender to exercise the rights, duties and obligations of Lender as Lender may from time to time direct, including but not limited to appointing a successor trustee, assigning, or releasing, in whole or in part the Security Instrument, foreclosing or directing Trustee to institute foreclosure of the Security Instrument, or taking such other actions as Lender may deem necessary or appropriate under the Security Instrument. The term “MERS” includes any successors and assigns of MERS. This appointment will inure to and bind MERS, its successors and assigns, as well as Lender, until MERS’ Nominee interest is terminated.*

*b. “Nominee” means one designated to act for another as its representative for a limited purpose.*

 *c. Lender, as the beneficiary under the Security Instrument, designates MERS as the Nominee for Lender. Any notice required by Applicable Law or this Security Instrument to be served on Lender must be served on MERS as the designated Nominee for Lender. Borrower understands and agrees that MERS, as the designated Nominee for Lender, has the right to exercise any or all interests granted by Borrower to Lender, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, assigning and releasing the Security Instrument, and substituting a successor trustee.*

 *d. Notices. Borrower acknowledges that any notice Borrower provides to Lender must also be provided to MERS as Nominee for Lender until MERS’ Nominee interest is terminated. Any notice provided by Borrower in connection with the Security Instrument will not be deemed to have been given to MERS until actually received by MERS.*

 *e. Substitute Trustee. In accordance with Applicable Law, Lender or MERS may from time to time appoint a successor trustee to any Trustee appointed under the Security Instrument who has ceased to act. Without conveyance of the Property, the successor trustee will succeed to all the title, power and duties conferred upon Trustee in the Security Instrument and by Applicable Law.*

c. Insert the following as a new Paragraph 7:

 *7. Lender acknowledges that until it directs MERS to assign MERS’s Nominee interest in the Security Instrument, MERS remains the Nominee for Lender, with the authority to exercise the rights of Lender.*

d. Add the following MERS signature line at the end of the document, above the acknowledgment line:

 *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

 *Mortgage Electronic Registration Systems, Inc.,*

 *as nominee for Lender, its successors and assigns*

e. Adjust paragraph numbering as necessary.

12. Lenders MAY include at the bottom of each page “initial lines” on which borrowers may insert their initials to acknowledge that all pages of the document are present. If these lines are added, lenders MUST require the borrowers to initial the lines on each page of the document.

13. Lenders MAY adjust cross-references to section, paragraph, or page numbers, if needed to reflect changes in section, paragraph, or page numbers that result from adding, modifying, or deleting certain language in accordance with another authorized change.

14. Lenders MAY omit information that is unnecessary when the document will not be recorded (for example, lenders may omit the recordation information related to the original security instrument, and the full legal description of the property). Lenders MUST refer to the *Servicing Guide* for requirements relating to preparing, executing, and recording the document.

**Other Pertinent Information**

Any special instructions related to preparation of this document, use of special signature forms, required riders or addenda, etc. are discussed below.

1. If the borrower is an *inter vivos* revocable trust, we may require: a special rider, a different signature form for the trustee signature, and a special signature acknowledgment for the settlor/credit applicant(s). Lenders are responsible for making any modifications, including the use of different terminology, needed to conform to the signature forms customarily used in the applicable jurisdiction and will be held fully accountable for the use of any invalid signature form(s).

Each of the trustees must sign this document in a signature block substantially similar to the following, which should be inserted in the Borrower signature lines.

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Trustee of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Trust under trust instrument dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.*

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Space Above This Line For Recording Data] \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# LOAN MODIFICATION AGREEMENT

**(Providing for Fixed Interest Rate)**

This Loan Modification Agreement (“Agreement”), made this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_, between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Borrower”) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Lender”), amends and supplements (1) the Mortgage, Deed of Trust, or Security Deed (the “Security Instrument”) dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and recorded in Book or Liber \_\_\_\_\_\_\_\_\_\_\_\_\_, at page(s) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Records of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 (Name of Records)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and (2) the Note, bearing the same date as, and secured by, the

(County and State, or other Jurisdiction)

Security Instrument, which covers the “Property” as defined in the Security Instrument, and located at

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

(Property Address)

the real property described being set forth as follows:

In consideration of the mutual promises and agreements exchanged, the parties hereto agree as follows (notwithstanding anything to the contrary contained in the Note or Security Instrument):

 1. As of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the amount payable under the Note and the Security Instrument (the “Unpaid Principal Balance”) is U.S. $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, consisting of the unpaid amount(s) loaned to Borrower by Lender plus any interest and other amounts capitalized.

 2. Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of Lender. Interest will be charged on the Unpaid Principal Balance at the yearly rate of \_\_\_\_\_\_\_\_\_\_\_%, from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Borrower promises to make monthly payments of principal and interest of U.S. $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, beginning on the \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_, and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. The yearly rate of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_% will remain in effect until principal and interest are paid in full. If on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Maturity Date”), Borrower still owes amounts under the Note and the Security Instrument, as amended by this Agreement, Borrower will pay these amounts in full on the Maturity Date.

 3. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender’s prior written consent, Lender may require immediate payment in full of all sums secured by the Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by the Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by the Security Instrument without further notice or demand on Borrower.

 4. Borrower also will comply with all other covenants, agreements, and requirements of the Security Instrument, including without limitation, Borrower’s covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments that Borrower is obligated to make under the Security Instrument; however, the following terms and provisions are forever canceled, null and void, as of the date specified in paragraph No. 1 above:

(a) all terms and provisions of the Note and Security Instrument (if any) providing for, implementing, or relating to, any change or adjustment in the rate of interest payable under the Note; and

1. all terms and provisions of any adjustable rate rider, or other instrument or document that is affixed to, wholly or partially incorporated into, or is part of, the Note or Security Instrument and that contains any such terms and provisions as those referred to in (a) above.

 5. Borrower understands and agrees that:

(a) All the rights and remedies, stipulations, and conditions contained in the Security Instrument relating to default in the making of payments under the Security Instrument shall also apply to default in the making of the modified payments hereunder.

(b) All covenants, agreements, stipulations, and conditions in the Note and Security Instrument shall be and remain in full force and effect, except as herein modified, and none of the Borrower’s obligations or liabilities under the Note and Security Instrument shall be diminished or released by any provisions hereof, nor shall this Agreement in any way impair, diminish, or affect any of Lender’s rights under or remedies on the Note and Security Instrument, whether such rights or remedies arise thereunder or by operation of law. Also, all rights of recourse to which Lender is presently entitled against any property or any other persons in any way obligated for, or liable on, the Note and Security Instrument are expressly reserved by Lender.

(c) Nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the Note and Security Instrument.

(d) All costs and expenses incurred by Lender in connection with this Agreement, including recording fees, title examination, and attorney’s fees, shall be paid by the Borrower and shall be secured by the Security Instrument, unless stipulated otherwise by Lender.

(e) Borrower agrees to make and execute such other documents or papers as may be necessary or required to effectuate the terms and conditions of this Agreement which, if approved and accepted by Lender, shall bind and inure to the heirs, executors, administrators, and assigns of the Borrower.

(f) Borrower authorizes Lender, and Lender’s successors and assigns, to share Borrower information including, but not limited to (i) name, address, and telephone number, (ii) Social Security Number, (iii) credit score, (iv) income, (v) payment history, (vi) account balances and activity, including information about any modification or foreclosure relief programs, with Third Parties that can assist Lender and Borrower in obtaining a foreclosure prevention alternative, or otherwise provide support services related to Borrower’s loan. For purposes of this section, Third Parties include a counseling agency, state or local Housing Finance Agency or similar entity, any insurer, guarantor, or servicer that insures, guarantees, or services Borrower’s loan or any other mortgage loan secured by the Property on which Borrower is obligated, or to any companies that perform support services to them in connection with Borrower’s loan.

Borrower consents to being contacted by Lender or Third Parties concerning mortgage assistance relating to Borrower’s loan including the trial period plan to modify Borrower’s loan, at any telephone number, including mobile telephone number, or email address Borrower has provided to Lender or Third Parties.

By checking this box, Borrower also consents to being contacted by text messaging [ ] .

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal)

-Lender -Borrower

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal)

-Borrower

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date of Lender’s Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Space Below This Line For Acknowledgments] \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. For an example of the standard Fannie Mae/Freddie Mac Uniform Instrument escrow account provisions, refer to Section 3 of the Uniform Covenants in the Uniform Security Instruments which can be obtained from the legal documents page on [www.fanniemae.com](https://www.fanniemae.com/singlefamily). [↑](#footnote-ref-1)